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UNITED NATIONS
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DP/PROJECTS/7425

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INDIANA UNIVERSITY

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF THE GOVERNMENT OF PERU

IPF:(1992-96) $13 297 000
(PER/92/G31) - Technical Assistance to the Center for Energy Conservation

Date of approval by the AC:[1]	25 November 1992
Expected duration:	Two years
Proposed executing agency:	United Nations
Government implementing agency:	CENERGIA
Proposed UNDP contribution:	$810 300 Source of funds: GEF
Total UNDP budget:	$810 300

Project background

Energy efficiency presently offers the greatest potential to reduce global warming. Reductions in greenhouse gas emissions can be achieved through efficiency improvements in the type of energy source used, the combustion process, and the technology employed. With energy growth rates seven times higher than that of OECD countries, developing countries are faced with soaring energy bills, lower outputs per energy unit and capital requirements that not only surpass their financial possibilities but divert large sums of resources from other necessary and productive investments.

In Peru the growing need for energy services, fueled by rising population, urbanization and energy-intensive industries, has led to energy consumption levels that are rapidly depleting available supplies and forcing the government to become a net energy importer. This has placed a strain on foreign currency reserves and increased the country's vulnerability to price fluctuations in the world oil market. In 1985, the Government created the Centre for Energy Conservation (CENERGIA), a technical and operational entity with NGO status, whose mandate has been to implement the Government's national policies for energy conservation and substitution. (CENERGIA), a technical and operational entity with NGO status, whose mandate has been to implement the Government's national policies for energy conservation and substitution. CENERGIA incorporates in its Board of Directors leaders from the Government, parastatal organizations and the private sector, thereby ensuring their cooperation and active participation.

CENERGIA's energy audits and demonstrations of cost-effective energy saving options in the country's main enterprises have led to substantial reductions in both energy consumption (240,000 barrels of oil between 1989/1990) and greenhouse gas emissions (120,000 tons of CO2). While CENERGIA has achieved successful technical and financial performance, assistance is needed to develop and expand the Center's capacities with respect to energy

[1] This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.

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use analysis and the control of greenhouse gas emissions. GEF funding will permit CENERGIA to expand energy auditing to a more diversified range of industries and provide detailed programmes to achieve energy efficiency and reductions of greenhouse gas emissions.

Description of project

The project's main objective is to implement energy-saving programmes in industry and transport to reduce greenhouse gas emissions resulting from energy consumption. This will permit minimum savings of 300,000 barrels of oil equivalent per year during 1993-94 with a corresponding reduction of CO_2 emissions of roughly 150,000 tons annually.

Project activities will target industry and transport for detailed energy conservation audits and environmental assessment studies in order to identify and quantify the potential for savings, the existing levels of greenhouse gases and the energy-saving measures to be implemented. A regional training centre in energy conservation and environmental protection will also be established to transfer the expertise accumulated by CENERGIA to engineers from both public and private sector entities throughout Latin America.

The immediate objectives of the project are to: (a) monitor fuel consumption and greenhouse gas emissions; (b) implement energy conservation programmes; (c) strengthen CENERGIA's technical and training capabilities. The project will identify, quantify and evaluate greenhouse gas emissions in order to define a programme of reduction controls or measures to be implemented by enterprises and to provide a basis for regulatory standards. This programme will be promoted by an energy-saving campaign aimed at private enterprises and the transport sector. In-depth energy audits will be expanded to a wide range of medium to large-scale industrial enterprises along with demonstrations of energy efficient technologies. Companies implementing energy saving measures identified by CENERGIA, will be assisted in finding financing for measures requiring investment. CENERGIA engineers will receive specialized training in the monitoring, control and evaluation of greenhouse gas emissions as well as in energy auditing. This will be facilitated through the establishment of a training centre as well as study tours. Workshops and seminars will be organized for both engineers and senior management to share CENERGIA's technical expertise and the economic and environmental benefits of energy conservation.

Inputs

UNDP will provide short-term experts (22 man-months) in environmental management in industry and transport, instructors for environmental workshops; national experts (144 man-months) in environmental monitoring and energy auditing; one local subcontract to launch a promotion campaign for energy conservation in industry and transport sectors; training (20 man-months) in regional workshops on energy auditing and environmental management; study tours (four man-months) for CENERGIA technical personnel; and equipment.

Financial data

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Personnel	546 000
Subcontract	40 000
Training	110 000
Equipment	99 500
Miscellaneous	14 800
Total	810 300

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